

VZCZCXYZ0000
OO RUEHWEB

DE RUEHRL #1548/01 3221051
ZNR UUUUU ZZH
O 171051Z NOV 08
FM AMEMBASSY BERLIN
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2647
INFO RUEHAD/AMEMBASSY ABU DHABI IMMEDIATE 0156
RUEHAK/AMEMBASSY ANKARA PRIORITY 0658
RUEHBJ/AMEMBASSY BEIJING PRIORITY 0983
RUEHBY/AMEMBASSY CANBERRA PRIORITY 0724
RUEHBUL/AMEMBASSY KABUL PRIORITY 0587
RUEHLO/AMEMBASSY LONDON PRIORITY 9395
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0557
RUEHOT/AMEMBASSY OTTAWA PRIORITY 1143
RUEHFR/AMEMBASSY PARIS PRIORITY 9955
RUEHRH/AMEMBASSY RIYADH PRIORITY 0242
RUEHRO/AMEMBASSY ROME PRIORITY 1546
RUEHKO/AMEMBASSY TOKYO PRIORITY 1596
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0650
RUEHBS/USEU BRUSSELS PRIORITY
RUEHNO/USMISSION USNATO PRIORITY 0528

UNCLAS BERLIN 001548

SENSITIVE

SIPDIS

E.O. 12958: N/A

TAGS: [PREL](#) [PTER](#) [ECON](#) [EAID](#) [PK](#) [GM](#)

SUBJECT: GERMAN ENGAGEMENT WITH PAKISTAN AND VIEWS ON THE
NOVEMBER 17 FRIENDS MEETING

REF: A. STATE 119783

[1](#)B. BERLIN 462

[1](#)1. (SBU) SUMMARY. To help Pakistan deal with its broad range of challenges, Germany has significantly ramped up its diplomatic engagement with Islamabad and plans to double its development assistance. Both Chancellor Merkel and FM Steinmeier have met with Pakistani leaders in recent weeks. Germany is strongly supportive of the Friends of Pakistan Group, and its views on the way ahead are largely in accord with those of the U.S. as outlined in ref A. END SUMMARY.

INCREASING GERMAN ENGAGEMENT

[1](#)2. (SBU) Germany has become increasingly engaged on the issue of Pakistan over the last several weeks, seeing, among other things, a direct connection between Pakistan's stability and the fate of the ISAF mission and the German deployment in Afghanistan. Merkel met with Pakistani PM Gilani on the margins of the October 24-25 Asia Europe (ASEM) Summit in Beijing. Steinmeier followed up with a one-day stop-over in Islamabad October 28. Steinmeier's visit was added at the last minute to the front end of a long-planned trip to Saudi Arabia and the UAE. In Islamabad, Steinmeier pressed both President Zadari and FM Qureshi to accept IMF assistance despite their reluctance over IMF conditionality. He then spent the bulk of his time in Riyadh and Abu Dhabi sensitizing the Saudis and Emiratis to the scale and urgency of the economic problems in Pakistan and seeking their direct financial assistance.

GERMAN VIEWS ON FRIENDS GROUP

[1](#)3. (SBU) Post delivered reftel talking points regarding the November 17 Friends of Pakistan meeting in Abu Dhabi to MFA South Asia Office Director Gudrun Sraega on November 11 and followed up with her on November 14. Sraega confirmed that MFA Director General for Asia Policy Hans Henning Blomeyer-Bartenstein would represent Germany at the meeting. She said Germany supported creation of the four suggested working groups, but agreed that the Friends Group should not become a forum for Pakistan to present wish lists. Ideally, the Group would help Pakistan create the necessary political

and legal framework to facilitate the receipt and use of development assistance.

¶4. (SBU) Sraega noted that that there were contradictory reports about whether Pakistan had or was about to approach the IMF for assistance. She said that like the U.S., Germany would continue to press Pakistani authorities to accept IMF assistance. Regarding a Frontier Fund, she indicated that Germany would need more information, especially about who would provide the money for it, before signing on to the idea. Sraega strongly supported a UN role in the Friends Group as well as the involvement of Jean Arnault, but again wondered where the financing would come from -- from the UN or the Friends Group itself?

GERMAN DEVELOPMENT ASSISTANCE TO BE DOUBLED

¶5. (SBU) Regarding bilateral support for Pakistan, she noted that a Pakistani delegation had just been in Berlin November 10-11 to hold negotiations with the German Ministry of Economic Cooperation and Development (BMZ) on the 2007-08 development assistance package for Pakistan. Negotiations on the assistance package had been suspended in early 2007 following former President Musharaff's crackdown on domestic opposition groups. Sraega emphasized, however, that while government-to-government talks on development assistance had been suspended, Germany had never stopped funding ongoing projects in Pakistan. Sraega had not yet received a full read-out of the November 10-11 negotiations, but said BMZ had already committed to double in 2007-08 the 44 million Euros of development assistance provided in the 2005-06 agreement

(see ref B for further information on the aid provided under the 2005-06 agreement). She said the BMZ planned to channel more aid to the border areas and would continue to focus on projects in the health, basic education and renewable energy sectors.

¶6. (SBU) Sraega reported that in addition to the BMZ development assistance, Germany was providing some 20-25 million Euros to Pakistan for 21 projects under the G8 Pakistan-Afghanistan Initiative. Finally, she noted that Pakistan also received humanitarian assistance and support for conflict resolution and democratization from the MFA, as well as police training from the Ministry of Interior.

TIMKEN JR